

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Samay Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Samay Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The financial statements dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



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- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 14 May 2018 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

Walker ChandioK & Co LLP
For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vikram Dhanania**
Partner
Membership No.: 060568

Place: Kolkata
Date: 14 May 2018



Walker ChandioK & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Samay Industries Limited, on the financial statements for the year ended 31 March 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

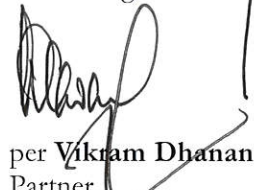


Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Samay Industries Limited, on the financial statements for the year ended 31 March 2018

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


per **Vikram Dhanania**
Partner
Membership No.: 060568

Place: Kolkata
Date: 14 May 2018



Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Samay Industries Limited, on the financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Samay Industries Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that



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Annexure B to the Independent Auditor's Report of even date to the members of Samay Industries Limited, on the financial statements for the year ended 31 March 2018

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vikram Dhanania
per Vikram Dhanania

Partner

Membership No.: 060568

Place: Kolkata

Date: 14 May 2018



Walker Chandiook & Co LLP

Financial Statements and Auditors' Report

Samay Industries Limited

31 March 2018

Samay Industries Limited
Balance Sheet as at 31 March 2018
 (All amounts in ₹, unless specified otherwise)

| | <u>Notes</u> | <u>As at 31 March 2018</u> | <u>As at 31 March 2017</u> |
|--|--------------|--------------------------------|--------------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 15,032,500 | 15,032,500 |
| Reserves and surplus | 4 | 321,153,492 | 295,328,619 |
| | | <u>336,185,992</u> | <u>310,361,119</u> |
| Non-current liabilities | | | |
| Long-term provisions | 5 | 188,434 | - |
| | | <u>188,434</u> | <u>-</u> |
| Current liabilities | | | |
| Other current liabilities | 6 | 345,999 | 344,201 |
| Short-term provisions | 7 | 317 | - |
| | | <u>346,316</u> | <u>344,201</u> |
| Total | | <u>336,720,742</u> | <u>310,705,320</u> |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment- tangible fixed assets | 8 | 836,201 | 855,488 |
| Non-current investments | 9 | 299,902,741 | 260,210,059 |
| Long-term loans and advances | 10 | 215,822 | 859,523 |
| | | <u>300,954,764</u> | <u>261,925,070</u> |
| Current assets | | | |
| Current investments | 11 | 32,525,981 | 47,498,232 |
| Inventories | 12 | 948,249 | 949,336 |
| Trade receivables | 13 | 117,183 | 26,884 |
| Cash and cash equivalents | 14 | 1,167,308 | 305,798 |
| Short-term loans and advances | 15 | 1,007,257 | - |
| | | <u>35,765,978</u> | <u>48,780,250</u> |
| Total | | <u>336,720,742</u> | <u>310,705,320</u> |

The accompanying notes 1 to 27 form an integral part of the financial statements.

This is the Balance sheet referred to in our report of even date.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 Chartered Accountants

per Vikram Dhanania
 Partner



Kolkata
 14 May 2018

For and on behalf of Board of Directors
 Samay Industries Limited

Sheetal Bangur
 Director

Richa Jalan
 Director



Hyderabad
 14 May 2018

Samay Industries Limited

Statement of profit and Loss for the year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

| | Notes | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-------|-----------------------------|-----------------------------|
| Revenue | | | |
| Revenue from operations | 16 | 21,672,297 | 11,602,245 |
| Other income | 17 | 10,335,932 | 4,916,371 |
| Total revenue | | 32,008,229 | 16,518,616 |
| Expenses | | | |
| Purchase of stock-in-trade (stationery items) | | 545,361 | 371,308 |
| Changes in inventories of stock-in-trade | 18 | 1,087 | 117,863 |
| Employee benefits expense | 19 | 3,444,651 | 1,720,000 |
| Depreciation expense | 8 | 19,287 | 19,423 |
| Other expenses | 20 | 125,179 | 157,687 |
| Total expenses | | 4,135,565 | 2,386,281 |
| Profit before tax | | 27,872,664 | 14,132,335 |
| Tax expense | | | |
| Current tax | | 2,047,791 | 840,018 |
| Tax for earlier years | | - | 72,898 |
| | | 2,047,791 | 912,916 |
| Profit for the year | | 25,824,873 | 13,219,419 |
| Earnings per equity share of ₹10 each | | | |
| | 21 | | |
| Basic | | 99.33 | 50.84 |
| Diluted | | 17.18 | 8.79 |

The accompanying notes 1 to 27 form an integral part of the financial statements.

This is the Statement of profit and loss referred to in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Vikram Dhanania
per Vikram Dhanania
Partner

For and on behalf of Board of Directors of
Samay Industries Limited



Sheetal Bangur
Sheetal Bangur
Director



Richa Jalan
Richa Jalan
Director

Kolkata
14 May 2018

Hyderabad
14 May 2018



Samay Industries Limited

Cash Flow Statement for the year ended 31 March 2018

(All amounts in ₹, unless otherwise stated)

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 27,872,664 | 14,132,335 |
| Adjustment for : | | |
| Depreciation | 19,287 | 19,423 |
| Share of profit from LLP (net) | (20,696,946) | (10,690,797) |
| Dividend income | (443,377) | (394,321) |
| Profit on sale of investment | (9,892,349) | (4,522,050) |
| Interest income | (206) | - |
| Operating loss before working capital changes | (3,140,927) | (1,455,410) |
| Adjustment for changes in working capital | | |
| Decrease/(Increase) in trade receivables | (90,299) | 46,028 |
| Decrease/(Increase) in short-term loans and advances | (1,007,257) | 8,433 |
| Increase in provisions | 96,651 | - |
| Decrease in inventories | 1,087 | 117,863 |
| Increase in other current liabilities | 1,798 | 266,828 |
| Cash generated used in operating activities | (4,138,947) | (1,016,258) |
| Income tax paid (net of refunds) | (1,311,990) | (3,507,980) |
| Net cash generated used in operating activities | (A) (5,450,937) | (4,524,238) |
| B. Cash flow from investing activities | | |
| Purchase of investments | (77,413,830) | (22,676,077) |
| Sale of investments | 83,282,694 | 26,266,263 |
| Dividend income | 443,377 | 394,321 |
| Interest received | 206 | - |
| Net cash generated from investing activities | (B) 6,312,447 | 3,984,507 |
| C. Cash flow from financing activities | | |
| Net cash used in financing activities | (c) - | - |
| Net increase/(decrease) in cash and cash equivalents | (A+B) 861,510 | (539,731) |
| Cash and cash equivalents as at beginning of the year | 305,798 | 845,529 |
| Cash and cash equivalents as at end of the year | 1,167,308 | 305,798 |

This is the Cash flow statement referred to in our report of even date.

Walker Chandniok & Co LLP
For Walker Chandniok & Co LLP
Chartered Accountants

per Vikram Dhanania
Partner

Kolkata
14 May 2018



For and on behalf of Board of Directors of
Samay Industries Limited



Sheetal Bangur
Director

Hyderabad
14 May 2018

Richa Jalan
Director



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

1. Background

Samay Industries Limited ("the Company") is a public limited Company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company is engaged in the activity of publishing of books and printing of other materials.

2. Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The financial statements have been prepared on an accrual basis. The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances,



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

useful lives of property, plant and equipment, income taxes, classification of assets and liabilities into current and non-current and the permanent diminution in the value of the long term investments.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(b) Property, plant and equipment - tangible assets

Property, plant and equipment ("PPE") are stated at cost, net of accumulated depreciation and impairment, if any. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use. Subsequent expenditures, if any, related to an item of PPE are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

(c) Depreciation

Depreciation on PPE is provided on written down value method over the useful lives of assets prescribed under Schedule II of the Act. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation.

(d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

(f) Inventories

Inventories of traded goods are carried at lower of cost and net realizable value.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured.

Revenue from sale of products is recognized when the risk and rewards are transferred to buyer.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the Company's right to receive dividend is established.



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

Profit/Loss on sale of investments is recognized on sale/redemption of respective investments.

Share of profit/loss from investments in partnership firms/limited liability partnerships (LLP) are recognized on accrual basis on the basis of profit sharing percentage held in the respective firm/LLP.

(h) Employee retirement benefits

Gratuity

Gratuity is a post-employment defined benefit plan. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the period in which such gains or losses arises.

Compensated absences

Liability for compensated absences is recognized in accordance with the leave policy of the Company for the accumulated leave balance based on last drawn salary.

(i) Tax expense

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 ("IT Act"). The Company accounts for tax credit in respect of Minimum Alternate Tax ("MAT") in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(j) Provisions, Contingent liabilities and Contingent Assets

- a. A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

- b. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.
- c. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments at the time of purchase with a remaining maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(l) Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purposes of diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| | As at 31 March 2018 | | As at 31 March 2017 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | Number | Amount | Number | Amount |
| 3 Share capital | | | | |
| Authorized share capital | | | | |
| Equity shares of ₹ 10 each | 2,500,000 | 25,000,000 | 2,500,000 | 25,000,000 |
| Preference shares of ₹ 100 each | 2,500,000 | 250,000,000 | 2,500,000 | 250,000,000 |
| | | <u>275,000,000</u> | | <u>275,000,000</u> |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 10 each | 260,000 | 2,600,000 | 260,000 | 2,600,000 |
| Non Cumulative Participating Compulsorily Convertible Preference Shares of ₹ 100 each | 124,325 | 12,432,500 | 124,325 | 12,432,500 |
| | | <u>15,032,500</u> | | <u>15,032,500</u> |

a) Reconciliation of equity share capital

| | Number | Amount | Number | Amount |
|---------------------------------------|----------------|-------------------|----------------|-------------------|
| Equity Shares | | | | |
| Balance at the beginning of the year | 260,000 | 2,600,000 | 260,000 | 2,600,000 |
| Balance at the end of the year | <u>260,000</u> | <u>2,600,000</u> | <u>260,000</u> | <u>2,600,000</u> |
| Preference Shares | | | | |
| Balance at the beginning of the year | 124,325 | 12,432,500 | 124,325 | 12,432,500 |
| Balance at the end of the year | <u>124,325</u> | <u>12,432,500</u> | <u>124,325</u> | <u>12,432,500</u> |

b) Terms and rights attached

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share and confer similar right as to dividend and voting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

The Company has only one class of Non-cumulative participating compulsorily convertible preference shares having a face value of ₹ 100 per share. The preference shares carries a preferential right to receive a dividend of 8% in case of payment of dividend to equity shareholders and shall stand increase to the rate of dividend paid to equity share holders subject to a maximum of 12%. The preference shares shall be compulsorily convertible at par after a period of 20 years from the date of allotment being 22 August 2013 or earlier on such date as may be fixed by the Board of Directors. The preference shares shall have, on winding up, a preferential right to the repayment of capital paid up there on in preference to the equity share, but shall not have any such right to participate in the surplus, if remaining, after payment of entire capital.

c) Shareholding pattern

Shareholders holding more than 5% of the shares

| | As at 31 March 2018 | | As at 31 March 2017 | |
|--|------------------------|--------|------------------------|--------|
| | Number | % | Number | % |
| Equity shares of ₹10 each | | | | |
| Sheetal Bangur | 239,300 | 92.04% | 239,300 | 92.04% |
| Anju Poddar | 19,800 | 7.62% | 19,800 | 7.62% |
| Preference shares of ₹100 each | | | | |
| Kiran Vyapar Limited (Holding Company) | 124,325 | 100% | 124,325 | 100% |

4 Reserves and surplus

General Reserve

| | | |
|--------------------------------------|-------------------|-------------------|
| Balance at the beginning of the year | 44,040,919 | 44,040,919 |
| Balance at the end of the year | <u>44,040,919</u> | <u>44,040,919</u> |

Securities premium reserve

| | | |
|--------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year | 217,568,750 | 217,568,750 |
| Balance at the end of the year | <u>217,568,750</u> | <u>217,568,750</u> |

Surplus in the Statement of profit and loss

| | | |
|--------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year | 33,718,950 | 20,499,531 |
| Add : Profit for the year | 25,824,873 | 13,219,419 |
| Balance at the end of the year | <u>59,543,823</u> | <u>33,718,950</u> |
| | <u>321,153,492</u> | <u>295,328,619</u> |



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| 5 Long-term provisions | | |
| Provision for tax (net of advance taxes) | 92,100 | - |
| Provision for gratuity | 96,334 | - |
| | <u>188,434</u> | <u>-</u> |
| 6 Other current liabilities | | |
| Statutory dues | 32,906 | - |
| Other current liabilities | 313,093 | 344,201 |
| | <u>345,999</u> | <u>344,201</u> |
| 7 Short-term provisions | | |
| Provision for gratuity | 317 | - |
| | <u>317</u> | <u>-</u> |

Employee benefits

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognized actuarial gains or losses and past service cost. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually. The assumptions used for actuarial valuation of liabilities towards gratuity are given below.

| | As at 31 March 2018 |
|---|------------------------|
| Change in projected benefit obligation | |
| Projected benefit obligation at the beginning of the year | - |
| Current Service cost | 68,547 |
| Past Service Cost | 28,104 |
| Interest cost | - |
| Actuarial gain | - |
| Projected benefit obligation at the end of the year | <u>96,651</u> |
| Components of employer expenses | |
| Current Service cost | 68,547 |
| Past Service Cost | 28,104 |
| Interest cost | - |
| Recognized net actuarial gain | - |
| Total expense recognized in the statement of profit and loss | <u>96,651</u> |
| Key actuarial assumptions | |
| Discount rate | 7.68% |
| Salary growth rate | 8% |
| Average remaining working life (in years) | 19.15 years |
| Expected rate of return on plan assets | - |
| Retirement age | 58 years |
| Mortality rate | IALM(2006-08) |
| Experience adjustments on present value of benefit obligations and plan assets | |
| Present value of obligation | 96,651 |
| Fair value of plan assets | - |
| Net liability | <u>96,651</u> |

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Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

8 Property, plant and equipment- tangible fixed assets

| Asset Category | Gross Block | | | | Depreciation | | | | Net Block |
|----------------------|---------------------|---------------------------|----------------------------|---------------------|---------------------|--------------------------|----------------------------|---------------------|---------------------|
| | As at 01 April 2017 | Additions during the year | Deductions during the year | As at 31 March 2018 | As at 01 April 2017 | Charge during the period | Deductions during the year | As at 31 March 2018 | As at 31 March 2018 |
| Freehold Land | 800,000 | - | - | 800,000 | - | - | - | - | 800,000 |
| Plant & Machinery | 5,200 | - | - | 5,200 | 4,114 | 275 | - | 4,389 | 811 |
| Building | 100,000 | - | - | 100,000 | 47,393 | 19,012 | - | 66,405 | 33,595 |
| Furniture & Fixtures | 4,700 | - | - | 4,700 | 4,465 | - | - | 4,465 | 235 |
| Computer | 31,200 | - | - | 31,200 | 29,640 | - | - | 29,640 | 1,560 |
| | 941,100 | - | - | 941,100 | 85,612 | 19,287 | - | 104,899 | 836,201 |

| Asset Category | Gross Block | | | | Depreciation | | | | Net Block |
|----------------------|---------------------|---------------------------|----------------------------|---------------------|---------------------|------------------------|----------------------------|---------------------|---------------------|
| | As at 01 April 2016 | Additions during the year | Deductions during the year | As at 31 March 2017 | As at 01 April 2016 | Charge during the year | Deductions during the year | As at 31 March 2017 | As at 31 March 2017 |
| Freehold Land | 800,000 | - | - | 800,000 | - | - | - | - | 800,000 |
| Plant & Machinery | 5,200 | - | - | 5,200 | 3,702 | 412 | - | 4,114 | 1,086 |
| Building | 100,000 | - | - | 100,000 | 28,382 | 19,011 | - | 47,393 | 52,607 |
| Furniture & Fixtures | 4,700 | - | - | 4,700 | 4,465 | - | - | 4,465 | 235 |
| Computer | 31,200 | - | - | 31,200 | 29,640 | - | - | 29,640 | 1,560 |
| | 941,100 | - | - | 941,100 | 66,189 | 19,423 | - | 85,612 | 855,488 |

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Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| Particulars | Face Value | As at 31 March 2018 | | As at 31 March 2017 | |
|---|------------|---------------------|-------------------|---------------------|-------------------|
| | | Number | Amount | Number | Amount |
| a. Investment in Equity Instruments (Quoted) | | | | | |
| Amara Raja Batteries Ltd. | 1 | 2,000 | 1,606,566 | 1,000 | 851,822 |
| Aksh Optifibre Ltd. | 5 | 50,000 | 1,579,080 | - | - |
| Akzo Nobel India Ltd. | 10 | 4,000 | 7,144,853 | - | - |
| Ambuja Cements Ltd | 2 | 3,000 | 723,151 | - | - |
| Bajaj Electricals Ltd | 2 | 10,000 | 4,468,877 | - | - |
| Bharat Forge Ltd. | 2 | - | - | 2,000 | 2,392,709 |
| Bosch Ltd. | 10 | 200 | 3,888,342 | 50 | 994,658 |
| Century Plyboards (India) Ltd. | 1 | 5,000 | 1,022,255 | 5,000 | 1,022,255 |
| Coal India Ltd. | 10 | 9,000 | 3,155,940 | 9,000 | 3,155,940 |
| Eicher Motors Ltd. | 10 | - | - | 150 | 3,188,131 |
| Everest Kanto Cylinder Ltd. | 2 | 30,000 | 1,383,278 | - | - |
| Future Lifestyle Ltd. | 2 | 14,677 | - | - | - |
| Godrej Industries Ltd | 1 | 10,000 | 5,472,332 | - | - |
| Gujarat Narmada Valley Fertilizers & Chemicals Ltd | 10 | 13,000 | 5,554,390 | - | - |
| Havells India Ltd. | 1 | 5,000 | 1,778,341 | 5,000 | 1,778,341 |
| HT Media Ltd | 2 | 40,000 | 3,754,146 | - | - |
| ICICI Bank Ltd. | 2 | - | - | 3,000 | 980,111 |
| Igrarashi Motors India Ltd. | 10 | 1,000 | 716,626 | 1,000 | 716,626 |
| Indoco Remedies Ltd. | 2 | 5,000 | 196,725 | 5,669 | 223,047 |
| JK Tyre & Industries Ltd. | 2 | 23,000 | 3,254,239 | - | - |
| KSB Pumps Ltd | 10 | 1,000 | 596,349 | 1,000 | 596,349 |
| Lasa Supergeneric Ltd. | 10 | 5,000 | - | - | - |
| LG Balakrishnan & Brothers Ltd. | 10 | - | - | 2,000 | 1,248,748 |
| Lupin Ltd. | 2 | 7,000 | 6,371,763 | 1,000 | 1,451,621 |
| LIC Housing Finance Ltd. | 2 | - | - | 400 | 177,191 |
| Marico Ltd. | 1 | 4,000 | 794,781 | 4,000 | 794,781 |
| Motherson Sumi Systems Ltd. | 1 | 5,000 | 939,722 | 3,750 | 1,252,957 |
| NHPC Ltd. | 10 | 25,000 | 780,523 | - | - |
| NMDC Ltd. | 1 | 10,000 | 1,561,819 | - | - |
| Omkar Speciality Chemicals Ltd. | 10 | 5,000 | 826,866 | 5,000 | 826,866 |
| Onmobile Global Ltd | 10 | 35,000 | 1,969,285 | - | - |
| Orient Refractories Ltd. | 1 | 3,000 | 396,900 | - | - |
| Pidilite Industries Ltd. | 1 | - | - | 1,500 | 879,411 |
| Piramal Enterprises Ltd. | 2 | - | - | 300 | 148,470 |
| Rane Brake Lining Ltd | 10 | 1,000 | 1,009,506 | - | - |
| Saint-Gobain Sekurit Ltd. | 10 | 2,692 | 134,785 | - | - |
| Sintex Industries Ltd. | 1 | 10,000 | 721,600 | 10,000 | 721,600 |
| Sintex Plastics Technology Ltd | 1 | 10,000 | - | - | - |
| Sun Pharmaceuticals Industries Ltd. | 1 | 2,500 | 1,694,150 | 2,500 | 1,694,150 |
| Supreme Industries Ltd. | 2 | 2,500 | 1,710,760 | 2,500 | 1,710,760 |
| Suven Life Sciences Ltd. | 1 | 5,000 | 977,187 | 5,000 | 977,187 |
| Thermax Ltd. | 2 | - | - | 1,000 | 1,078,330 |
| UltraTech Cement Ltd. | 10 | - | - | 150 | 412,548 |
| Unichem Laboratories Ltd. | 2 | 5,000 | 1,773,968 | - | - |
| Universal Office Automation Ltd. | 10 | 1,000 | 16,970 | 1,000 | 16,970 |
| VRL Logistics Ltd. | 10 | 6,000 | 1,761,980 | 6,000 | 1,761,980 |
| Zuari Agro Chemicals Ltd. | 10 | 2,000 | 1,008,186 | - | - |
| Total | | | 70,746,241 | | 31,053,559 |



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| Particulars | Face Value | As at 31 March 2018 | | As at 31 March 2017 | |
|---|------------|---------------------|--------------------|---------------------|--------------------|
| | | Number | Amount | Number | Amount |
| 9 Non-current investments (non-trade) | | | | | |
| b. Investment in Equity Instruments (Unquoted) | | | | | |
| Apurva Export Private Ltd. | 10 | 50,000 | 19,156,500 | 50,000 | 19,156,500 |
| | | | <u>19,156,500</u> | | <u>19,156,500</u> |
| c. Investment in Mutual Funds (Unquoted) | | | | | |
| IDFC Premier Equity Fund (Growth) | 10 | 138,172 | 10,000,000 | 138,172 | 10,000,000 |
| | | | <u>10,000,000</u> | | <u>10,000,000</u> |
| d. Investment in Limited Liability Partnership (LLP) | | | | | |
| Soul Beauty & Wellness Centre LLP - Capital | | | 200,000,000 | | 200,000,000 |
| | | | <u>200,000,000</u> | | <u>200,000,000</u> |
| Aggregate amount of quoted investments | | | 70,746,241 | | 31,053,559 |
| Aggregate amount of unquoted investments | | | 229,156,500 | | 229,156,500 |
| Total Investments | | | <u>299,902,741</u> | | <u>260,210,059</u> |
| Aggregate market value of quoted investments | | | 76,711,560 | | 51,226,490 |

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Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| 10 Long-term loans and advances <i>(unsecured considered good, unless otherwise stated)</i> | | |
| Security deposits | 25,790 | 25,790 |
| MAT credit entitlement | 94,506 | 738,207 |
| Advance taxes (net of provision) | 95,526 | 95,526 |
| | 215,822 | 859,523 |
| 11 Current investments | | |
| Investment in Mutual Fund (Unquoted) | | |
| 42,404 (Previous Year: 1,581,848) units of ₹ 10 each of IDFC Money Manager Fund - Treasury Plan (Growth) | 1,131,908 | 36,801,105 |
| | 1,131,908 | 36,801,105 |
| Investment in LLP - share of profit | | |
| Soul Beauty & Wellness Centre LLP | 31,394,073 | 10,697,127 |
| | 31,394,073 | 10,697,127 |
| | 32,525,981 | 47,498,232 |
| 12 Inventories <i>(valued at lower of cost or net realisable value)</i> | | |
| Stock-in-trade | 948,249 | 949,336 |
| | 948,249 | 949,336 |
| 13 Trade receivables <i>(unsecured considered good, unless otherwise stated)</i> | | |
| Other debts | 117,183 | 26,884 |
| | 117,183 | 26,884 |
| 14 Cash and cash equivalents | | |
| Cash on hand | 47,472 | 49,552 |
| Balances with banks - in current accounts | 1,119,836 | 256,246 |
| | 1,167,308 | 305,798 |
| 15 Short-term loans and advances | | |
| Other loans and advances | 1,007,257 | - |
| | 1,007,257 | - |



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| 16 Revenue from operations | | |
| Sale of products | 975,351 | 911,448 |
| Share of profit from LLP | 20,696,946 | 10,690,797 |
| | <u>21,672,297</u> | <u>11,602,245</u> |
| 17 Other income | | |
| Interest income | 206 | - |
| Dividend income from long-term investments | 443,377 | 394,321 |
| Profit on sale of long-term investments(net) | 4,711,544 | 2,346,484 |
| Profit on sale of current investments (net) | 5,180,805 | 2,175,566 |
| | <u>10,335,932</u> | <u>4,916,371</u> |
| 18 Changes in inventories of stock-in-trade | | |
| Inventories at the beginning of the year | 949,336 | 1,067,199 |
| Inventories at the end of the year | 948,249 | 949,336 |
| | <u>1,087</u> | <u>117,863</u> |
| 19 Employee benefits expense | | |
| Salaries, wages and allowances | 3,444,651 | 1,720,000 |
| | <u>3,444,651</u> | <u>1,720,000</u> |
| 20 Other expenses | | |
| Communication expenses | 23,347 | 29,332 |
| Legal and professional fees | 23,998 | 48,426 |
| Miscellaneous expenses | 14,238 | 9,272 |
| Director's sitting fees | 21,000 | 21,000 |
| Processing charges | 6,520 | 12,005 |
| Rates and taxes | 676 | 3,152 |
| Auditor's remuneration - statutory audit | 35,400 | 34,500 |
| | <u>125,179</u> | <u>157,687</u> |
| 21 Earning per equity share | | |
| Net profit after tax for the year | 25,824,873 | 13,219,419 |
| Weighted average number of equity shares | 260,000 | 260,000 |
| Par value per share | 10 | 10 |
| Basic earnings per share | 99.33 | 50.84 |
| Weighted average number of equity shares outstanding during the year | 260,000 | 260,000 |
| Add: Weighted number of potential equity shares for diluted EPS | 1,243,250 | 1,243,250 |
| Weighted number of potential equity shares for diluted EPS | 1,503,250 | 1,503,250 |
| Diluted earning per share | 17.18 | 8.79 |



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

22 Segment Reporting

(a) Business Segment

The Company is primarily engaged in the business of providing investments and trading of stationery items. The business segments are classified into the following broad categories:

- (i) Investments activities - comprises of investments in shares and securities.
- (ii) Trading activities - comprises of printing and sale of letter heads and other stationery items.

Since the segment revenue, segment result and segment assets from 'Trading activities' segment does not exceed 10% of the total revenue, total profit/loss and total assets of the Company, there are no reportable segments in context of Accounting Standard 17, 'Segment Reporting'.

23 Related parties

a) Names of related parties and description of relationship

| Relationship | Name of the related party |
|--|--|
| Holding company | Kiran Vyapar Limited |
| Key management personnel (KMP) | Ms. Sheetal Bangur Mrs. Anju Poddar Mrs. Richa Jalan Mrs. Surbhi Bangur Mrs. Aparna Reddy Gunapati |
| Enterprises over which Company has significant influence or control | Soul Beauty & Wellness Centre LLP |
| Enterprises over which parent company has significant influence or control | Placid Ltd. Navjyoti Commodity Management Services Ltd. Iota Mtech Power LLP |
| Enterprises over which KMP/relative of KMP have significant influence or control | Apurva Export Private Limited Janardan Wind Energy Private Limited LNB Renewable Energy Private Limited LNB Realty LLP Maharaja Shree Umaid Mills Limited Manifold Agricrops Private Limited Palimarwar Solar Project Private Limited Rawaye Greepark Private Limited Sidhidata Solar Urja Ltd. Subhprade Greeneries Private Limited Sidhidata Tradecommm Ltd. Shree Krishna Agency Ltd. The General Investment Co Ltd. The Peria Karmalai Tea & Produce Co Ltd. The Kishore Trading Co Ltd. |

b) Transactions with related parties

| Nature of Transactions | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| <u>Sale of goods</u> | | |
| Navjyoti Commodity Management Services Limited | 535,719 | 141,850 |
| Placid Limited | 316,918 | 190,100 |
| The Peria Karmalai Tea & Produce Co Limited | 29,732 | 95,406 |
| Maharaja Shree Umaid Mills Limited | 60,179 | 68,470 |
| Others | 154,231 | 32,850 |
| <u>Director's sitting fees</u> | | |
| Ms. Sheetal Bangur | 6,000 | 6,000 |
| Mrs. Anju Poddar | 3,000 | 3,000 |
| Mrs. Richa Jalan | 4,500 | 4,500 |
| Mrs. Surbhi Bangur | 4,500 | 3,000 |
| Mrs. Aparna Reddy Gunapati | 3,000 | 4,500 |



Samay Industries Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

c) Balances with related parties at year end

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| <u>Trade receivables</u> | | |
| Apurva Export Pvt Ltd | - | 945 |
| Maharaja Shree Umaid Mills Ltd | 1,120 | 2,363 |
| Naviyoti Commodity Management Services Limited | 108,364 | 20,741 |
| Rawaye Greenpark Pvt Ltd | - | 945 |
| Subhprada Greeneries Pvt Ltd | - | 945 |
| The Kishore Trading Co. Ltd | - | 945 |
| Placid Ltd | 5,600 | - |
| The Peria Karamalai Tea & Produce Ltd | 4,339 | - |
| <u>Investment in LLP</u> | | |
| Soul Beauty & Wellness Centre LLP | 231,394,073 | 210,697,127 |
| <u>Year-end investments</u> | | |
| Apurva Export Pvt. Ltd. | 19,156,500 | 19,156,500 |

24 Details of Investment in LLP

| Name of the Partners | Share of Profit (%) | Capital balance as on 31 March 2018 |
|--|---------------------|--|
| <u>Soul Beauty & Wellness Centre LLP</u> | | |
| Mrs. Sheetal Bangur | 8% | 25,000,000 |
| Samay Industries Limited | 70% | 200,000,000 |
| Surbhi Bangur | 1% | 200,000 |
| Apurva Export Pvt Ltd | 21% | 80,000,000 |

25 Contingent liabilities and commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) ₹ 4,025,360.

26 There are no reported Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes due.

27 Previous year comparatives have been reclassified and regrouped wherever necessary, to confirm to current years' presentation.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

[Signature]
per Vikram Dhanania
Partner

Kolkata
14 May 2018

For and on behalf of Board of Directors of
Samay Industries Limited



[Signature]
Sheetal Bangur
Director

[Signature]
Richa Idan
Director

Hyderabad
14 May 2018



Samay Industries Ltd.

To
Walker Chandiook & Co LLP
Chartered Accountants
Kolkata

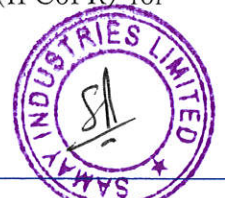
14 May 2018

For the kind attention of: Mr. Vikram Dhanania

Dear Sirs,

Subject: Management representation in connection with the statutory audit of the financial statements and the internal financial controls over financial reporting of Samay Industries Limited for the year ended 31 March 2018

This representation letter is provided in connection with your audits of (1) the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a Summary of Significant Accounting Policies and Explanatory Notes/ Information (collectively referred to as "financial statements") of *Samay Industries Limited* (the "Company") for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other recognised accounting practices and policies generally accepted in India including the requirements of the Act ("Indian GAAP") and (2) internal financial controls over financial reporting (IFCoFR) for



the purpose of expressing an opinion on the adequacy and operating effectiveness of the Company's IFCoFR as at 31 March 2018 in accordance with criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

We acknowledge our responsibility for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements and for establishing and maintaining adequate and effective IFCoFR in accordance with criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') which includes policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The management is responsible for prevention and timely detection of irregularities, including fraud. We understand that the term 'fraud' includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets.

In connection with your combined audit of financial statements and internal financial controls over financial reporting, we confirm that:

1. We have fulfilled our responsibilities with respect to preparation and presentation of the financial statements and other responsibilities as set out in the terms of the engagement letter dated 06 March 2018 including the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act").
2. We have fulfilled our responsibility for establishing and maintaining adequate and effective IFCoFR in accordance with guidance note which includes policies and



procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

3. The financial statements are prepared on accrual basis and are free from material errors and omissions and present fairly the financial position, the results of its operations and cash flows of the Company, in accordance with the Indian GAAP.
4. The financial statements have been prepared on a going concern basis.
5. With respect to accounting estimates recognized or disclosed in financial statements:
 - a. Significant assumptions used by us in making the accounting estimates, are reasonable.
 - b. The measurement process, including related assumptions and models, used by the management in determining the accounting estimates in context of the Indian GAAP is appropriate and consistent.
 - c. The assumptions used by management in determining the accounting estimates reflect management's ability and intent to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - d. The disclosures related to accounting estimates are complete and appropriate under the Indian GAAP.
 - e. No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.
6. The accounting estimates which are not recognized or disclosed in the financial statements do not meet the recognition or disclosure criteria as per Indian GAAP and basis for such determination is appropriate.



7. We are aware of the fact that your examination includes such tests and procedures as you considered necessary for the purpose of expressing an opinion on the financial statements. We also understand that such tests and procedures would not necessarily detect fraud, irregularities or error, should any exist. We acknowledge that, control over and responsibility of prevention and detection of fraud, irregularities and error remains with us.
8. The financial statements are in agreement with the books of account. There are no transactions that have not been recorded in the accounting records underlying the financial statements.
9. The accounting policies which are material or critical in determining the financial position, results of operations and cash flows for the year and other explanatory information are set out in the financial statements and are consistent with those adopted in the previous year.
10. We have designed and implemented IFCoFR relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. We have performed an evaluation and made an assessment of the adequacy and operating effectiveness of the Company's IFCoFR based on the guidance note.
12. We have not used the procedures performed by you during the audit of IFCoFR or financial statements as part of the basis for our assessment of the effectiveness of IFCoFR.
13. Based on the assessment carried out by us and the evaluation of the results of the assessment, we conclude that the Company has adequate IFCoFR that were operating effectively as at the 31 March 2018. We are not aware of any significant deficiencies or material weaknesses.



14. For the purposes of our assessment of the effectiveness of the Company's IFCoFR, we understand that a:

- a. Deficiency in IFCoFR exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.
- b. Significant deficiency is a deficiency, or a combination of deficiencies, in IFCoFR that is important enough to merit attention of those charged with governance since there is a reasonable possibility that a misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.
- c. Material weakness is a deficiency, or combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

15. We have disclosed to you all deficiencies in the design or operation of IFCoFR identified as part of management's evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies or material weaknesses in IFCoFR in paragraph [13].

16. We have provided you with:

- a. All information, such as records and documentation, and other matters that are relevant to your assessment of internal financial controls;
- b. All minutes of the meetings of shareholders, directors, and committees of directors, or summaries of actions of recent meetings of which minutes have not yet been prepared;
- c. complete and accurate information, statutory records and documents as applicable, and other matters that are relevant to the preparation and presentation of the financial statements and assessment of internal financial controls;



- d. complete and accurate additional information that you have requested from us;
and
 - e. unrestricted access to those persons within the Company from whom you determined it necessary to obtain audit evidences.
 - f. the report(s) on the accounts of the branch office(s) of the Company audited under Section 143(8) of the Act by the branch auditors.
17. The result of our risk assessment process did not indicate risk of financial statements being materially misstated as a result of fraud or error.
18. There were no instances of fraud resulting in a material misstatement to the Company's financial statements and any other fraud that does not result in a material misstatement to the Company's financial statements but involves senior management or management or other employees who have a significant role in the Company's IFCoFR.
19. We are not aware of any fraud or suspected fraud involving:
- a. management;
 - b. employees; or
 - c. others.
20. There are no allegations of fraud or suspected fraud, communicated by the employees, former employees, analysts, regulators or others.
21. There were no instances of non-compliance or suspected or possible non-compliance with laws and regulations whose effects are required to be considered when preparing the financial statements.
22. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware. We further confirm that such



relationships and transactions have been appropriately disclosed in the financial statements in accordance with the requirements of Indian GAAP.

23. No events/transactions have taken place subsequent to the date of the financial statements, which will require adjustment or disclosure in the financial statements as per Indian GAAP

24. There are no changes in IFCoFR or other factors that might significantly affect IFCoFR, including corrective actions taken by the management with regard to significant deficiencies and material weaknesses, that have occurred subsequent to the balance sheet date and through the date of this representation letter.

25. The changes to the IFCoFR since balance sheet date and the proposed changes that are under consideration by the Company do not impact our assessment, evaluation and conclusion of the IFCoFR as at balance sheet date.

26. We will inform you about all of the following:

- facts which become known to the management after the date of the Auditor's Report but before the date the financial statements are issued; and
- facts which become known to the management after the financial statements have been issued.

which, had they been known at the time of approval of financial statements or the audit report date, may have caused the financial statements and/ or the audit report to be amended.

27. All the identified misstatements have been appropriately dealt with in the financial statements and there are no unrecorded misstatements and/or omitted disclosures.



28. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices, including deficiencies in the Company's internal financial controls.
29. All transactions entered into by the Company are final and there are no side agreements with the counter parties to the contracts entered into by the Company.
30. Except for those disclosed in the financial statements there are no other material prior period items.
31. There are no prior period adjustments in the financial statements.

Liabilities

32. We have recorded all known liabilities, including those liabilities/contingencies which are likely to result in loss and require adjustment of assets or liabilities in the financial statements.
33. There are no micro and small enterprises, as defined under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues, as at the reporting date.
34. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
35. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, in accordance with relevant provisions of the Act.

Fixed assets



36. No events or changes in circumstances have occurred that indicate the carrying amounts of fixed assets may not be recoverable.

37. The Company has complied with the provisions of Schedule II (as amended) to the Act with respect to the useful lives to compute depreciation of the assets.

Legal matters

38. The Company does not have any pending litigations which would impact its financial position.

Commitments

39. There are no commitments as on balance sheet date.

Contingent liabilities

40. There are no contingent liabilities as at Balance Sheet date that might require a disclosure in the financial statements.

Loans and advances:

41. All loans and advances have a value on realisation in the ordinary course of business which is at least equal to the amounts at which they are stated in the Balance Sheet.

42. The Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

Inventories



43. The Company holds printing and stationery items as inventory. The same is verified by management on regular intervals.

44. Stocks do not include:

- (a) goods purchased for which liabilities have not been provided;
- (b) goods returned by customers without credit to their accounts; or
- (c) goods billed to customers in advance of delivery.

Trade receivables

45. Trade receivables as stated in the financial statements are considered good and fully recoverable.

Other current/non-current assets

46. Provision, where material, has been made for any diminution in the value of any other current/non-current asset.

Pledged or assigned assets

47. There are no lien or encumbrance on the Company's assets nor have assets been pledged, mortgaged or assigned as security for liabilities, performance of contracts, etc. except as disclosed in the financial statements.

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48. Physical verification of fixed assets is conducted by the Company during the financial year as per policy of the Company i.e. once in three years.



49. The Company has conducted physical verification of the fixed assets (or specify e.g. Furniture, Plant and machinery, if applicable) during the year and has not found any material discrepancies.
50. The title deeds of all the immovable properties are held in the name of the Company.
51. The company has conducted physical verification of it's inventory held during the year at reasonable intervals and in respect of the same no material discrepancies were found.
52. The Company has not granted any loans to parties covered under Section 189 of the Act.
53. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the Company's services/products.
54. The Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
55. There are no dues in respect of income-tax, sales-tax, service tax, duty of customs duty of excise value added tax and cess that have not been deposited with the concerned authorities on account of any dispute.
56. The managerial remuneration has been paid (and)/ provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
57. The company is not a Nidhi Company.



58. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

59. The company has not entered into any non-cash transactions with directors or persons connected with them under section 192 of the Act.

60. All transactions with related parties are in compliance with Section 188 and 177 of the Companies Act 2013 where applicable and the details have been disclosed in the financial statements as required by the Accounting Standards and Companies Act 2013.

61. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

General

62. No personal expenses have been debited to Statement of Profit and Loss.

63. The management confirms based on the representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, that none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of section 164(2) of the Act.

64. The Company has given no guarantees during the year and there are no outstanding guarantees as on 31 March 2018.

65. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.



66. The Board of Directors of the Company has not acted in violation of restriction imposed under Section 180 of the Act.

67. No contributions to political parties, charitable funds and national defense funds were made in contravention to the provisions of the Act.


68. There are no financial transactions or matters which have any adverse effect on the functioning of the Company.

69. Other than specifically mentioned above, the Company has complied with all other provisions of the Act and the Companies Act, 2013 to the extent applicable.

70. No information has come to our attention that would cause us to believe that any of the previous representations provided in connection with your audit of the financial statements should be modified.

Yours faithfully,

For and on behalf of Samay Industries Limited


Sheetal Bangur
(Director)

